

AMENDED IN SENATE MARCH 8, 2004

**SENATE BILL**

**No. 1169**

**Introduced by Senator Murray**

February 3, 2004

---

---

~~An act to amend Section 185020 of the Public Utilities Code, relating to transportation.~~ *An act to amend Sections 2704.13 and 2704.16 of the Streets and Highways Code, and to amend Sections 1, 3, and 4 of Chapter 697 of the Statutes of 2002, relating to transportation, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1169, as amended, Murray. ~~High-Speed Rail Authority Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.~~

*Existing law, Chapter 697 of the Statutes of 2002, provides for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 2, 2004, general election. Subject to voter approval, the act would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be available in conjunction with any available federal funds for planning and construction of a high-speed train system pursuant to the business plan of the High-Speed Rail Authority, and \$950 million of which would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines. Existing law provides that bonds for the high-speed train system would not be issued earlier than January 1, 2006.*

*This bill would instead provide for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 7, 2006, general election. The bill would*

provide that bonds for the high-speed train system would not be issued earlier than January 1, 2008. The bill would make other related changes.

The bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law establishes the High-Speed Rail Authority consisting of 9 members appointed by the Governor, the Senate Committee on Rules, and the Speaker of the Assembly.~~

~~This bill would make nonsubstantive changes to these provisions.~~

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. — Section 185020 of the Public Utilities Code is~~  
2     SECTION 1.   Section 1 of Chapter 697 of the Statutes of 2002  
3     is amended to read:

4     Section 1.   (a) In light of the events of September 11, 2001, it  
5     is very clear that a high-speed passenger train network as described  
6     in the High-Speed Rail Authority's Business Plan is essential for  
7     the transportation needs of the growing population and economic  
8     activity of this state.

9     (b) The initial high-speed train network linking San Francisco  
10    and the Bay Area to Los Angeles will serve as the backbone of  
11    what will become an extensive 700-mile system that will link all  
12    of the state's major population centers, including Sacramento, the  
13    Bay Area, the Central Valley, Los Angeles, the Inland Empire,  
14    Orange County, and San Diego, and address the needs of the state.

15    (c) ~~The initial network from San Francisco and the Bay Area~~  
16    ~~Bay Area to Southern California could be in limited operation by~~  
17    ~~2008.~~

18    ~~(d)~~ The high-speed passenger train bond funds are intended to  
19    encourage the federal government and the private sector to make  
20    a significant contribution toward the construction of the  
21    high-speed train network.

22    ~~(e)~~

23    (d) The initial segments shall be built in a manner that yields  
24    maximum benefit consistent with available revenues.

25    ~~(f)~~

(e) After the initial investment from the state, operating revenues from the initial segments and funds from the federal government and the private sector will be used to pay for expansion of the system. It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible in order to maximize ridership and the mobility of Californians.

~~(g)~~

(f) At a minimum, the entire 700-mile system described in the High-Speed Rail Authority's Business Plan should be constructed and in revenue service by 2020.

SEC. 2. Section 2704.13 of the Streets and Highways Code, as added by Section 2 of Chapter 697 of the Statutes of 2002, is amended to read:

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. However, bonds for the high-speed train system may not be issued and sold prior to January 1, 2006 2008. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

SEC. 3. Section 2704.16 of the Streets and Highways Code, as added by Section 2 of Chapter 697, is amended to read:

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The committee may adopt a resolution for such purposes prior to January 1, 2006 2008. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited

1 in the fund to be allocated by the board in accordance with this  
2 chapter.

3 *SEC. 4. Section 3 of Chapter 697 of the Statutes of 2002 is*  
4 *amended to read:*

5 *Sec. 3. Section 2 of ~~this act~~ Chapter 697 of the Statutes of*  
6 *2002, as amended by Sections 2 and 3 of the act amending this*  
7 *section in the 2003–04 Regular Session, shall take effect upon the*  
8 *adoption by the voters of the Safe, Reliable High-Speed Passenger*  
9 *Train Bond Act for the 21st Century, as set forth in Section 2 of ~~this~~*  
10 *~~act~~ Chapter 697 of the Statutes of 2002, as amended by Sections*  
11 *2 and 3 of the act amending this section in the 2003–04 Regular*  
12 *Session.*

13 *SEC. 5. Section 4 of Chapter 697 of the Statutes of 2002 is*  
14 *amended to read:*

15 *Sec. 4. (a) Section 2 of ~~this act~~ Chapter 697 of the Statutes of*  
16 *2003, as amended by Sections 2 and 3 of the act amending this*  
17 *section in the 2003–04 Regular Session, shall be submitted to the*  
18 *voters at the November 2, 2004 7, 2006, general election in*  
19 *accordance with provisions of the Government Code and the*  
20 *Elections Code governing the submission of statewide measures*  
21 *to the voters.*

22 *(b) Notwithstanding any other provision of law, all ballots of*  
23 *the November 2, 2004 7, 2006, general election shall have printed*  
24 *thereon and in a square thereof, exclusively, the words “Safe,*  
25 *Reliable High-Speed Passenger Train Bond Act for the 21st*  
26 *Century” and in the same square under those words, the following*  
27 *in 8-point type: “This act provides for the Safe, Reliable*  
28 *High-Speed Passenger Train Bond Act for the 21st Century. For*  
29 *the purpose of reducing traffic on the state’s highways and*  
30 *roadways, upgrading commuter transportation, improving*  
31 *people’s ability to get safely from city to city, alleviating*  
32 *congestion at airports, reducing air pollution, and providing for*  
33 *California’s ~~growing~~ growing population, shall the state build a*  
34 *high-speed train system and improve existing passenger rail lines*  
35 *serving the state’s major population centers by creating a rail trust*  
36 *fund that will issue bonds totaling \$9.95 billion, paid from existing*  
37 *state funds at an average cost of \_\_\_\_ dollars (\$\_\_\_\_) per year over*  
38 *the 30-year life of the bonds, with all expenditures subject to an*  
39 *independent audit?” The blank space in the question to appear on*  
40 *the ballot pursuant to this subdivision shall be filled in by the*

Attorney General with the appropriate figure provided by the Legislative Analyst relative to the annual average cost of the bonds. Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the measure.

(c) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (b) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(d) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

*SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

*In order to defer a general obligation bond measure to authorize the issuance and sale of bonds for the financing of a high-speed passenger train system from the November 2, 2004, general election ballot to the November 7, 2006, general election ballot, it is necessary that this act take effect immediately.*

~~amended to read:~~

~~185020. — (a) There is in state government a High-Speed Rail Authority.~~

~~(b) (1) The authority is composed of nine members as follows:~~

~~(A) Five members appointed by the Governor.~~

~~(B) Two members appointed by the Senate Committee on Rules.~~

~~(C) Two members appointed by the Speaker of the Assembly.~~

~~(2) For the purposes of making appointments to the authority, the Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall take into consideration geographical diversity to ensure that all regions of the state are adequately represented.~~

~~(c) Except as provided in subdivision (d), and until their successors are appointed, members of the authority shall hold office for terms of four years. A vacancy shall be filled by the appointing power making the original appointment, by appointing a member to serve the remainder of the term.~~

~~(d) (1) On and after January 1, 2001, the terms of all persons who are then members of the authority shall expire, but those members may continue to serve until they are reappointed or until their successors are appointed. In order to provide for evenly staggered terms, persons appointed or reappointed to the authority after January 1, 2001, shall be appointed to initial terms to expire as follows:~~

~~(A) Of the five persons appointed by the Governor, one shall be appointed to a term that expires on December 31, 2002, one shall be appointed to a term that expires on December 31, 2003, one shall be appointed to a term that expires on December 31, 2004, and two shall be appointed to terms that expires on December 31, 2005.~~

~~(B) Of the two persons appointed by the Senate Committee on Rules, one shall be appointed to a term that expires on December 31, 2002, and one shall be appointed to a term that expires on December 31, 2004.~~

~~(C) Of the two persons appointed by the Speaker of the Assembly, one shall be appointed to a term that expires on December 31, 2003, and one shall be appointed to a term that expires on December 31, 2005.~~

~~(2) Following expiration of each of the initial terms provided for in this subdivision, the term shall expire every four years thereafter on December 31.~~

~~(e) Members of the authority are subject to the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).~~

~~(f) From among its members, the authority shall elect a chairperson, who shall preside at all meetings of the authority, and a vice chairperson to preside in the absence of the chairperson. The chairperson shall serve a term of one year.~~

~~(g) Five members of the authority constitute a quorum for taking any action by the authority.~~